

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6205**

**BILL NUMBER:** HB 1110

**NOTE PREPARED:** Feb 17, 2015

**BILL AMENDED:** Feb 17, 2015

**SUBJECT:** Magistrates.

**FIRST AUTHOR:** Rep. Stemler

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☐ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

STATE IMPACT	FY 2015	FY 2016	FY 2017
State Revenues			
State Expenditures		790,675	1,106,945
Net Increase (Decrease)		(790,675)	(1,106,945)

**Summary of Legislation:** (Amended) This bill has the following provisions:

- A. It allows the judges of the Clark Circuit Court to jointly appoint a third full-time magistrate.
- B. It allows the judge of the Vanderburgh Circuit Court to appoint a second full-time magistrate.
- C. It allows the judge of the Greene Circuit Court and the judge of the Greene Superior Court to jointly appoint one full-time magistrate.
- D. It allows a magistrate to: (1) approve and accept criminal plea agreements; (2) approve agreed settlements concerning civil matters; and (3) approve decrees of dissolution, settlement agreements, and any other agreements of the parties in domestic relations actions or paternity actions.
- E. It allows the judges of the Marion Superior Court to appoint four additional full-time magistrates after December 31, 2015.

(The introduced version of this bill was prepared by the Interim Study Committee on Courts and the Judiciary.)

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** (Revised) The following table summarizes the added costs to the state General Fund for these new magistrates based on salaries paid in FY 2015. Costs may be more in the future if the salaries of judicial officers increase.

<b>Proposed New Magistrates</b>						
	<b>Number of Magistrates</b>	<b>Effective Date</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Clark County	1	7/1/2015	\$158,135	\$158,135	\$158,135	\$158,135
Greene County	1	7/1/2015	\$158,135	\$158,135	\$158,135	\$158,135
Marion County	4	1/1/2016	\$316,270	\$632,540	\$632,540	\$632,540
Vanderburgh County	1	7/1/2015	\$158,135	\$158,135	\$158,135	\$158,135
<b>Totals</b>	<b>7</b>		<b>\$790,675</b>	<b>\$1,106,945</b>	<b>\$1,106,945</b>	<b>\$1,106,945</b>

*Additional Information-* The salaries of circuit and superior court judges and magistrates can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filling these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table presents an estimate of the total compensation (base salary and fringe benefits) of magistrates for FY 2016. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for a Magistrate (FY 2016)	
Benefits	Magistrates
Salary	\$106,996
Life Insurance	\$160
Indiana Judicial Conference	\$1,000
Social Security	\$8,185
Disability Insurance	\$1,872
Retirement (see note)	\$27,718
Health, Dental, and Vision (blended rate)	\$12,204
Total Cost Per Judicial Officer	\$158,135

Note About Retirement Expenditures – LSA uses the four-year average of normal costs between FY 2010 and FY 2013 of each active member of the Judges Retirement Fund less the member's contribution (roughly 6% of payroll) to calculate the annual retirement costs of magistrates. Normal cost is defined as the present value of benefits accruing for a particular plan year. From 2006 to 2013, normal costs for the plan increased by more than 96%. This is due, in part, to increases in retirement and disability benefits.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) *Added Powers for Magistrates* – Trial courts that can appoint magistrates would be able to dispose more cases without a judge's oversight. There are 24 counties with one or more magistrates.

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of State Court Administration; Indiana Supreme Court; Indiana Judicial Center.

**Local Agencies Affected:** Courts in Clark, Greene, Marion, and Vanderburgh Counties.

**Information Sources:** Office of State Court Administration; Indiana Supreme Court; Indiana Public Retirement System; State Budget Agency Operating Budget Instructions FY 2016 - 2017.

**Fiscal Analyst:** Mark Goodpaster, 317-232-9852.